NEBA
NEW ENGLAND BIOTECH ASSOCIATION

Testimony of Paula Newton, Vice-Chairman,
New England Biotechnology Association
Re: Opposition to Senate Bill 270
Monday, March 1, 2010 - Hartford, CT

The New England Biotech Association ("NEBA") respectfully submits the following comments in opposition to Senate Bill 270 (the "Legislation"). As the regional policy and public affairs voice for the biotechnology and biopharmaceutical community, NEBA represents state biotech associations, companies, academic institutions, and other organizations consisting of more than 800 entities, including over 100 in Connecticut.

Our concerns outlined below mirror those expressed by our partners, Connecticut United for Research Excellence (CURE) and the Biotechnology Industry Organization (BIO), that the legislation will harm Connecticut's biotechnology and life-sciences sector and therefore the vibrancy of the industry writ large in New England.

Explicitly, the legislation seeks to replicate and apply the sweeping regulatory regime established in Massachusetts last year to Connecticut. NEBA respectfully asks, "Why?" A concentrated location within Massachusetts is the birthplace of biopharmaceutical technology and has prospered undeniably into an industry hub. But the wisdom required to affect such scientific achievement is not automatically conferred to the industry's Massachusetts regulators, authors of much of what is proposed in S 270. Moreover, the ruggedly fertile biopharmaceutical soil of Massachusetts churns out technologies perennially despite having one of the most punishing regulatory climates imaginable. Where growth is less organic and more fragile, a more agreeable climate can help sustain that growth. Massachusetts holds no monopoly on how best to regulate physician-industry interactions.

In place today in Connecticut, an abundance of law, regulation, and revised industry or physician practice regulates virtually all aspects of physician-biopharmaceutical manufacturer interaction. Biotechnology representatives adhere to strict industry-wide compliance standards when interacting with healthcare professionals. When a breakthrough biotechnology medicine is approved by the FDA, it is the industry representative who provides Connecticut physicians with valuable educational material in an appropriate manner.

But Senate Bill 270 suggests more needs to be done and, by implication, further stigmatizes these interactions. NEBA respectfully disagrees with the premise and submits that stigmatizing the legal transfer of technology and medical information

between physician and biopharmaceutical manufacturer is an unsound practice potentially harmful to patients, physician knowledge, and one that threatens the growth of the state's dynamic biopharmaceutical industry.

Connecticut considered and wisely set aside most aspects of S 270 in years past. If the legislation was a solution in search of a problem then, the case for this characterization has only grown as transparency and self regulation have taken hold with more consistency and the wider understanding one would expect on the part of both manufacturers and physicians.

In the same intervening time, unfortunately, little has changed about the economy in Connecticut – making now a particularly poor time to establish a regulatory framework that would, even if only by implication, render the jobs of biopharmaceutical representatives increasingly untenable, more expensive to retain, or even obsolete. Imposing new burdens on the ability of this homegrown industry to sustain these jobs should be understood in this light.

- Since implementing its legislation, Massachusetts is realizing no attributable cost savings and it is fair to wonder if the stigma imposed on physician interactions is not having a deleterious impact on patients whose doctors may or may not be aware of the latest information available on new therapies.

- Senate Bill 270 also contains provisions to prohibit the lawful use of physician prescribing information. This legislation would serve no public policy purpose and would hurt biopharmaceutical companies in Connecticut. Biotech companies rely on health information such as prescriber identifiable data in the research and development of new and innovative biotech medicines and in the efficient transference of medical information. Biotechnology companies also appropriately employ this data to enroll and conduct clinical trials. One common misperception concerning this legislation is the issue of patient privacy. Individual patient privacy is neither at risk nor subject to disclosure under current practice. The confidentiality of patient-information is protected under federal law pursuant to the Health Insurance Portability Act of 1996 (HIPAA). Thus, NEBA respectfully requests that you reject this legislation as superfluous and unnecessary.

- Another provision contained in S 270 and lifted from Massachusetts law seeks to require greater disclosure of certain clinical trials – again, by implication at least, stigmatizing the interaction. And we do know that there are now fewer clinical trials conducted there since the law passed. As a mild sign of protest and to avoid logistical harassment, major medical conferences have cancelled venues in the Commonwealth and others are considering cancelling. This has or will result in the loss of millions in state revenues – revenues the state hoped to attract by investment in

venues like its convention center. With revenue scarce, Connecticut can indeed learn very different lessons from the example of Massachusetts.

Again, in the midst of the worst economic downturn in decades, why would the General Assembly of Connecticut knowingly choose a policy path that will lead to diminished research & innovation, a more restrictive environment for life-science business, and further job loss in one of the state's most promising sectors? In our view, policy makers should instead explore ways to bolster the state's biosciences sector, which employs over 18,000 and spends more than $6 billion in operations in the state annually.

Connecticut richly deserves its reputation as positive place to locate and grow biopharmaceutical technology companies. Progressive approaches to Research & Development tax structure, the groundbreaking 2005 stem cell law, and a spirit of partnership traditionally characterize the state's approach to industry. NEBA urges the state to build on this track record by rejecting the regulatory schemes of other locales.

We appreciate the opportunity to share NEBA's concerns with the Legislation and are available at your convenience to discuss further our comments, or any other matter concerning the Legislation or our industry. We look forward to working with you on policies that will continue to ensure that Connecticut and New England remains a global leader in the life sciences.

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